

**Testimony of Randy A. Pacheco  
Dean, School of Energy  
Before the  
U.S. Department of Energy  
August 11, 2014  
“Critical Energy Workforce Shortage”**

Good morning Mr. Chairman and Members of the Committee:

My name is Randy Pacheco I am the Dean for the School of Energy at San Juan College.

With business picking up in the oil and gas/energy industry across the U.S., industry professionals are wondering if there will be enough people to fill the estimated 2.5 million jobs that will be available in 2015. In addition, the Baby Boomers are now reaching retirement age. For at least the next 10 years, energy companies will continue to experience an exodus of their most experienced employees. This also includes many of state, federal, and tribal energy related agencies.

An article in the June 4 issue of Investor's Business Daily states that a study conducted in May of this year by Manpower, an employment agency that has offices in 80 countries and territories, according to its web site, found that 58 percent of energy employers said they have difficulty finding trained employees and 74 percent of them believe the situation will not improve, but get worse, in the next five years.

In San Juan County, New Mexico, San Juan County's Four Corners Economic Development recently completed a survey of oil and gas related companies. The staff and volunteers called on about 80 percent of those companies who have 50-plus employees and identified at least 800 jobs that can't be filled (by qualified applicants).

People don't have the skill sets or the life skills many companies are looking for. One of the members of Four Corners Economic Development said 'Bring me a decent skilled worker and I'll hire them and train them.' This isn't just a local problem, it's a national problem.

With the oil and gas/energy industry regaining speed, the shortage of skilled labor in the many communities across the U.S. will also create challenges.

Four Corners Economic Development believes that, with the increase in activity in the oil and gas/energy industry, the number of rigs will increase in the next several years. That means we could need 200 people for every oil rig that's operating in our basin. That will mean more jobs, but it also means there will be a greater demand for affordable housing and a stronger infrastructure in our communities.

While jobs in the oil and gas/energy industry are increasing, those jobs aren't limited to just males, according to a report by the American Petroleum Industry. A summary in the report states that its baseline projection shows employment in the oil and gas and petrochemical industry operations increasing by 202,000 in the years 2010 and 2030. In addition, the report states that the need to replace current workers who retire from the industry over that same 20-year period will create an additional 579,000 jobs.

Minorities will be sought to fill many of those jobs. The report predicts that there will be more than 400,000 job opportunities for minority workers and a net increase of 90,000 in female employment in the industry.

The Investor's Business Daily's article stated two critical points that will impact the energy industry considerably. First, education and training are) is critical for those seeking well-paying jobs in the industry. Second, attracting young people to the industry is also a challenge.

Oil and gas companies can no longer rely totally on on-the-job-training (OJT) to develop their workforces. Most of the industry's veterans kept pace with technology changes while on the job, as the changes occurred. Now that many of their most experienced employees are retiring, energy companies are unable to close the competency gap between a job's technical requirements and the technical expertise of the entry-level worker.

Many young adults are currently unaware of, or uninterested in, energy industry careers. Student outreach, beginning at the high school level, is limited or non-existent, negative beliefs about entry-level energy jobs are pervasive, and imbalanced press coverage has created negative perceptions about the energy industry.

The demand for qualified employees extends beyond U.S. shores. San Juan College and the School of Energy will enter into a partnership with Fletcher Community College in Houma, Louisiana to provide training needed for off shore drilling.

The State of New Mexico can – and should – be a leader in ensuring that the oil and gas/energy companies in the country will find professionally trained employees in the Land of Enchantment. To do so, we must work together and make that training and those skilled employees a priority. It is a win-win situation for us. The well-paying jobs the industry has for our resident's benefits us all.

Thank you